

CASE STUDY

FCStone Group Gains Impressive Returns with RightFax

When the Chicago Board of Trade began night trading, FCStone Group—then Farmer's Commodities Corporation—faced a decision: to spend thousands on several more fax machines and additional outsourcing or to research a more reliable, less expensive fax solution. Its focus on the latter has returned impressive numbers. The company estimates savings of close to half a million dollars over the last few years of using RightFax e-document delivery. In addition, the firm was positioned to take advantage of international opportunities for growth.

BACKGROUND

FCStone Group, Inc. is one of the largest volume commercial grain brokerage firms in the country. Formed by the 2000 merger of Farmer's Commodities Corporation and Saul Stone and Company, FCStone Group, Inc. is a recognized innovator in commodity risk intelligence and serves cooperative member owners, substantial private companies, large volume institutions and other major commodity traders in the U.S. and the world.

FCStone is headquartered in West Des Moines, Iowa, with full-service offices in Illinois, Missouri, Minnesota, Nebraska, Georgia, Utah and Ohio.

THE PROBLEM

Every day, FCStone brokers distribute thousands of documents regarding the performance of commodities. In the late 1990s (then Farmer's Commodities Corporation), employees used stand-alone fax machines to send commodities information and experienced the usual delays common to manual faxing. In addition, other documents—such as equity reports—were broadcast faxed at night and could total up to 60 pages per report.

In 1997, the Chicago Board of Trade announced it would begin night trading. To accommodate higher trade volumes, FCStone would require additional faxing capabilities. If the company simply expanded its faxing process, it would have to install eight new fax machines and buy additional outsourcing fax services from its long-distance phone carrier.

Both options posed unwanted repercussions, according to Robert Vespestad, FCStone Network Administrator. Manual faxing was labor-intensive and time-consuming while outsourced broadcast services "were fast and easy, but very expensive," Vespestad explained. "We needed to research more cost-effective methods that could still keep up with the high-volume while maintaining a very high reliability status."

As a business that maintains backup generators to protect against electrical power outages, FCStone requires dependability—both day and night—from all its processes. At the time, faxing was the company's main method of communication; thus, faxing was not only mission-critical to FCStone's business, it was FCStone's business.

THE SOLUTION

Vespestad began looking for a fax solution that—in comparison to previous processes—was as timely and easy-to-use, but less expensive to operate. Recommendations from trusted colleagues led him to Captaris RightFax, the market leading e-document delivery and enterprise fax solution. FCStone implemented RightFax with expertise from Baker Communications, an Iowa-based solutions provider.

While FCStone business has changed in the four years since installing RightFax, Vespestad said, "Our initial RightFax investment has paid for itself over and over again." He estimated the total ROI at close to half a million dollars.

"RightFax was \$132,000 less expensive each year – that's a 55 percent savings each year based solely on faxing with RightFax." —Robert Vespestad

CONVENIENCE

Using RightFax to send and receive faxes right from the desktop enhances productivity for FCStone professionals. "Our brokers are now free to get right back to work on other jobs instead of standing and watching a fax," Vespestad said. Also, rather than using an outsourced broadcast solution, Vespestad appreciates the convenience and control of handling RightFax locally. "Among other benefits, we have control over our international rates when we negotiate telecommunications expenses," he explained. "As a result, we pay dramatically less per minute than if we were with a third-party broadcast service."

COST-EFFICIENCY

"Before I could install RightFax, I had to provide a cost analysis that proved it really was a good financial fit for us," Vespestad said. He found FCStone could save thousands, based on a cost analysis of 5,000 faxed pages a day for a total of 100,000 pages each month.

"RightFax would cost us approximately \$8,000/month for the actual faxing, and \$1,000 each month for the T1 lines we'd need," he said. The previous outsourcing fax option was costing approximately \$20,000 each month. "The difference between the two solutions was amazing. RightFax was \$132,000 less expensive each year – that's a 55 percent savings each year based solely on faxing with RightFax."

As an added benefit, FCStone eliminated close to 25 fax machines across the firm. "The reduction has driven additional savings," Vespestad said. "We save close to \$15,000 a year in supply and maintenance costs alone."

CHANGING MARKETS

Fax volume—at one point, as high as 10,000 pages per day—has somewhat given way to email and Internet communication over recent years. But, FCStone continues to rely heavily on faxing. "The international market has grown as countries become more involved in the World Trade Organization," Vespestad said. Many of these areas do not have reliable Internet connectivity, but they do have fax systems. "Without RightFax, it would be difficult to get information to these areas and our own growth would be hindered." And, he estimated, FCStone still saves at least \$25,000 per year as opposed to broadcasting via a third-party facility.

In summary, Vespestad reported RightFax has been 99 percent reliable for several years. "Our RightFax investment continues to be the reliable way for us to inexpensively broadcast information to our customers," he concluded.

FOR MORE INFORMATION

Captaris is a leading provider of Business Information Delivery solutions that integrate, process and automate the flow of messages, data and documents. Captaris produces a suite of proven products and services, in partnership with leading enterprise technology companies, delivered through a global distribution network. Captaris has installed over 80,000 systems in 44 countries with 93 of the Fortune 100 using the company's award-winning products and services to reduce costs and increase the performance of critical business information investments. For more information please contact us at www.captaris.com or call +1.520.320.7000.

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